

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

Sphera Optical Networks N.A., Inc.)	
d/b/a Sphera Networks)	
)	
Application for a Certificate of Local)	
Exchange Authority to Operate as a)	
Reseller and Facilities-Based Carrier of)	Docket No. 00-0617
Telecommunications Services in the)	
the State of Illinois)	

**TESTIMONY OF AARON KITLOWSKI
ON BEHALF OF
SPHERA OPTICAL NETWORKS N.A., INC.
D/B/A SPHERA NETWORKS**

1 **I. INTRODUCTION**

2
3 **Q. PLEASE STATE YOUR NAME, TITLE, BUSINESS ADDRESS AND TELEPHONE**
4 **NUMBER.**

5
6 **A.** My name is Aaron Kitlowski. I am employed by Sphera Optical Networks N.A., Inc. d/b/a
7 Sphera Networks ("Sphera"). I am the Assistant General Counsel for Sphera. My business
8 address recently changed from 200 Madison Avenue, Suite 502, New York, New York
9 10016, to 666 Third Avenue, Second Floor, New York, New York 10017. My telephone and
10 facsimile numbers have also recently changed from (212) 683-1011 and (212) 683-6966,
11 respectively, to (646) 205-4700 and (646) 487-1960, respectively.

12 **Q. WHAT ARE YOUR RESPONSIBILITIES AS ASSISTANT GENERAL COUNSEL?**

13
14 **A.** As Assistant General Counsel, I am responsible for ensuring that Sphera, as a public utility,
15 complies with applicable federal, state and local laws. I also handle all regulatory
16 compliance issues that arise with regard to marketing, operations, billing and customer
17 service. I negotiate and manage carrier-to-carrier agreements on behalf of Sphera, including
18 the negotiation of interconnection agreements for the provision of telecommunications
19 services. My responsibilities include appearing before federal and state regulatory
20 commissions to advocate Sphera's competitive position on all telecommunications issues.

21 **Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

22
23 **A.** Prior to joining Sphera this summer, I was an Associate with the law firm Simpson Thacher
24 and Bartlett in New York City for three years. At Simpson Thacher and Bartlett, I worked
25 with telecommunications and other high technology companies on corporate and financing

1 matters, including debt and equity issuances and corporate reorganizations. I received a
2 Bachelor of Arts degree from the Duke University, Durham, North Carolina in 1994, and a
3 J.D. from Duke University School of Law, Durham, North Carolina in 1997.

4 **Q. ARE YOU FAMILIAR WITH THE APPLICATION THAT SPHERA FILED WITH**
5 **THE ILLINOIS COMMERCE COMMISSION ON SEPTEMBER 19, 2000 FOR A**
6 **CERTIFICATE OF AUTHORITY TO OPERATE AS A RESELLER AND**
7 **FACILITIES-BASED CARRIER OF LOCAL AND INTEREXCHANGE**
8 **TELECOMMUNICATIONS SERVICES IN THE STATE OF ILLINOIS?**

9
10 **A.** Yes.

11 **Q. DO YOU RATIFY AND CONFIRM THE STATEMENTS THAT ARE MADE IN**
12 **THE APPLICATION ?**

13
14 **A.** Yes. However, I would like to inform the Commission that Sphera recently received
15 authority to operate as a telecommunications carrier in the states of Texas and Washington
16 as well as the District of Columbia. Also, as noted above, Sphera has a new business
17 address, telephone and facsimile numbers. In addition, Sphera's customer support number
18 has changed to 1-800-352-4095.

19 **II. PURPOSE AND SUMMARY**

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

21 **A.** The purpose of my testimony is to describe the communications services that Sphera
22 proposes to offer in Illinois and to review issues related to Sphera's request for a license to
23 provide such services. My testimony specifically relates to Sphera's managerial, financial
24 and technical competence to provide the communications services for which authority is
25 requested, and its compliance with the rules and policies of this Commission.

Q. PLEASE DESCRIBE THE AUTHORITY THAT SPHERA SEEKS FROM THE COMMISSION AND THE SERVICES IT INTENDS TO PROVIDE.

A. Sphera seeks a certificate of local exchange authority to operate as a reseller and facilities-based carrier of telecommunications services in the State of Illinois. Sphera seeks authority to provide facilities-based competitive local carrier service and facilities-based interexchange service to business customers and other carriers. Initially, Sphera will provide data transmissions only. Sphera's services will consist of Protected Optical Interconnection Channels ("POICs"), which provide transmissions over Sphera's network without regard to protocol formats such as ATM and IP. Sphera will provide POICs at line rates of 155 megabits per second ("OC-3"), 622 megabits per second ("OC-12"), 2.4 gigabit per second ("OC-48") and, when available, 10 gigabits per second ("OC-192"). In the future, Sphera may also offer non-SDH services (e.g. gigabit Ethernet, ESCON, fiber channel, etc.).

Q. HAS SPHERA BEEN AUTHORIZED TO PROVIDE SUCH SERVICE IN ANY OTHER JURISDICTIONS?

A. Yes. Sphera is authorized to provide telecommunications services in the District of Columbia, Massachusetts, New Jersey, New York, Texas, and Washington. Sphera is also authorized by the Federal Communications Commission to provide facilities-based and resold common carrier services.

Q. HAS SPHERA EVER BEEN DENIED AUTHORIZATION BY A STATE REGULATORY AGENCY?

A. No. Sphera has never been denied requested authorization by a state regulatory agency.

1 **Q. PLEASE DESCRIBE THE CORPORATE STRUCTURE OF SPHERA.**

2 **A.** Sphera is a corporation organized under the laws of the State of Delaware on February 19,
3 2000. A copy of Sphera's Articles of Incorporation and a copy of Sphera's Certificate of
4 Authority to Transact Business in Illinois are attached to Sphera's Application as Exhibit 2.

5 **III. MANAGERIAL AND TECHNICAL QUALIFICATIONS**

6 **Q. PLEASE ADDRESS SPHERA'S MANAGERIAL AND TECHNICAL QUALIFICA-**
7 **TIONS.**

8
9 **A.** Sphera has the managerial and technical qualifications to provide facilities-based and resold
10 telecommunications service in Illinois. Sphera's management team has extensive experience
11 in telecommunications. A description of the managerial experience of Sphera's key
12 personnel is attached to its Application as Exhibit 3. As the resumes of Sphera's key
13 personnel reflect, these individuals have substantial experience in running major
14 telecommunications operations. Each member of Sphera's management team will draw upon
15 his or her own experience, as well as the collective experience of the entire management
16 team, to ensure that Sphera is managed and operated efficiently and profitably.

17 **Q. PLEASE ELABORATE ON SPHERA'S TECHNICAL QUALIFICATIONS.**

18 **A.** Applicant is technically qualified to provide the proposed services in the State of Illinois.
19 Sphera is currently staffed with 7 executives and approximately 80 additional professional,
20 technical and administrative employees within the functional disciplines of sales, marketing,
21 network design and implementation, business development, legal, finance, human resources
22 and administration. Sphera has successfully started operations in New York and is in the

1 deployment phase of operations in Boston, Seattle, Washington, D.C., London, Amsterdam
2 and Frankfurt. Sphera is also in the process of hiring additional technical and administrative
3 employees needed to monitor these networks, and plans to employ a total of 200 persons
4 company-wide by June 2001. Sphera's management personnel are well qualified to execute
5 its business plan, having extensive managerial, financial, and technical telecommunications
6 experience as described in Application Exhibit 3. Sphera's management team continually
7 develops plans for improving the network and providing innovative services to its customers.

8 **IV. FINANCIAL QUALIFICATIONS**

9 **Q. PLEASE DESCRIBE SPHERA'S FINANCIAL QUALIFICATIONS.**

10 **A.** Sphera possesses the financial qualifications necessary to conduct its proposed
11 telecommunications operations as specified in its Application. During the initial start-up
12 period, Sphera will rely upon the sizable financial assets of its parent company, Sphera
13 Optical Networks, Inc., to ensure that it has sufficient capital to maintain its operations. As
14 Sphera's revenues increase through the acquisition of new customers, Sphera's revenues will
15 supplant Sphera Optical Networks, Inc.'s assistance. Sphera submitted as Exhibit 4 to its
16 Application information related to Sphera Optical Networks, Inc.'s financial fitness. This
17 exhibit provides proof of Applicant's financial ability to provide the proposed services. With
18 access to this financing, Sphera is financially well qualified to provide the
19 telecommunications services proposed in its Application.

20

21

1 **V. SPHERA'S PROPOSED SERVICES**

2 **Q. PLEASE DESCRIBE THE TYPES OF SERVICES THAT SPHERA WILL OFFER**
3 **IN ILLINOIS.**

4
5 **A.** As described above, Sphera will initially provide data transmissions only. Sphera's services
6 will consist of Protected Optical Interconnection Channels ("POICs"), which provide
7 transmissions over Sphera's network without regard to protocol formats such as ATM and
8 IP. Sphera will provide POICs at line rates of 155 megabits per second ("OC-3"), 622
9 megabits per second ("OC-12"), 2.4 gigabit per second ("OC-48") and, when available, 10
10 gigabits per second ("OC-192"). In the future, Sphera may also offer non-SDH services (e.g.
11 gigabit Ethernet, ESCON, fiber channel, etc.).

12 **Q. HOW WILL SPHERA PROVIDE THESE SERVICES?**

13 **A.** Sphera's services will be provided primarily through its own facilities. Sphera's facilities-
14 based network will consist initially of a combination of its own equipment and equipment
15 and transmission capacity leased from third parties or other authorized carriers.

16 **Q. WHAT GEOGRAPHIC AREAS WILL SPHERA SERVE?**

17 **A.** Sphera seeks to provide its communications services throughout the State of Illinois.

18 **VI. COMPLIANCE WITH THE COMMISSION RULES, REGULATIONS AND**
19 **POLICIES**

20
21 **Q. IF AUTHORIZED TO PROVIDE COMPETITIVE TELECOMMUNICATIONS**
22 **SERVICES, WILL SPHERA ABIDE BY THE RULES, REGULATIONS, POLICIES**
23 **AND ORDERS OF THIS COMMISSION, AND THE LAWS OF THE STATE OF**
24 **ILLINOIS, IN ITS PROVISION OF COMPETITIVE INTRASTATE LOCAL**
25 **EXCHANGE AND INTEREXCHANGE SERVICES?**

26
27 **A.** Yes, it will. Sphera will provide service in the State in full compliance with any and all

1 applicable rules and regulations that have been or may be adopted relating to the provision
2 of communications services. Sphera also will comply with all statutory and Commission
3 requirements.

4 **Q. IF GRANTED CERTIFICATION TO PROVIDE LOCAL SERVICE IN ILLINOIS,**
5 **WILL SPHERA ABIDE BY THE RULES AND REGULATIONS OF THIS**
6 **COMMISSION, AS NOW ADOPTED OR THAT MAY BE ADOPTED IN THE**
7 **FUTURE?**

8
9 **A.** Yes, it will.

10 **Q. PLEASE PROVIDE THE NAME, ADDRESS, TELEPHONE, AND FAX NUMBER**
11 **OF THE 9-1-1 CONTACT PERSON FOR YOUR COMPANY?**

12
13 **A.** Since Sphera will not initially provide voice service to end users, Sphera will not be
14 providing 9-1-1 service. However, for all 9-1-1 inquiries, I am the contact person. My
15 business address is 666 Third Avenue, Second Floor, New York, New York 10017. My
16 telephone number is (646) 205-4700 and facsimile number is (646) 487-1960.

17 **Q. WILL YOUR COMPANY ENSURE THAT 9-1-1 TRAFFIC IS HANDLED IN**
18 **ACCORDANCE WITH THE 83 ILLINOIS ADMINISTRATIVE CODE PART 725**
19 **AND THE EMERGENCY TELEPHONE SYSTEM ACT?**

20
21 **A.** Yes, to the extent Sphera provide local dial tone, voice service, Sphera will ensure that 9-1-1
22 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the
23 Emergency Telephone System Act.

24 **Q. WILL YOUR COMPANY CONTACT AND ESTABLISH A WORKING**
25 **RELATIONSHIP WITH 9-1-1 SYSTEMS WHEN YOU BEGIN TO PROVIDE**
26 **LOCAL TELEPHONE SERVICE?**

27
28 **A.** Yes. Sphera will contact and establish a working relationship with 9-1-1 systems prior to
29 providing local telephone service in Illinois.

1 **Q. WILL YOUR COMPANY COORDINATE WITH THE INCUMBENT LEC(s) AND**
2 **LOCAL 9-1-1 SYSTEMS TO PROVIDE TRANSPARENT SERVICE FOR YOUR**
3 **LOCAL EXCHANGE CUSTOMERS?**
4

5 A. Yes, Sphera will coordinate with the incumbent LEC(s) and local 9-1-1 systems to provide
6 transparent 9-1-1 service to any future Sphera local exchange voice customers. Sphera will
7 enter into an interconnection agreement with the incumbent LEC, which will set forth the
8 manner of transporting 9-1-1 calls from the Sphera end user to the appropriate Public Safety
9 Answering Point ("PSAP").

10 **Q. WHO WILL BE RESPONSIBLE FOR BUILDING AND MAINTAINING THE 9-1-1**
11 **DATABASE FOR YOUR LOCAL EXCHANGE CUSTOMERS?**
12

13 A. At such time as Sphera anticipates providing and/or begins providing voice services in the
14 State of Illinois, Sphera will designate an employee who will be responsible for maintaining
15 Sphera's internal 9-1-1 database and operations.

16 **Q. HOW OFTEN WILL YOUR COMPANY UPDATE THE 9-1-1 DATABASE WITH**
17 **CUSTOMER INFORMATION?**
18

19 A. At such time as Sphera begins providing voice services in the State of Illinois, Sphera will
20 update the 9-1-1 database daily or as needed.

21 **Q. WILL YOUR COMPANY'S BILLING SYSTEM HAVE THE ABILITY TO**
22 **DISTINGUISH BETWEEN FACILITIES BASED AND RESALE FOR THE**
23 **COLLECTION OF THE 9-1-1 SURCHARGE AND ILLINOIS**
24 **TELECOMMUNICATIONS ACCESS CORPORATION LINE CHARGE?**
25

26 A. Should Sphera decide to provide voice service in the future, its billing system is capable of
27 differentiating between facilities-based and resale for the collection of the 9-1-1 surcharge
28 and Illinois Telecommunications Access Corporation line charge.

1 **Q. DOES YOUR COMPANY HAVE PROCEDURES FOR THE TRANSITIONING OF**
2 **THE 9-1-1 SURCHARGE COLLECTION AND DISBURSEMENT TO THE LOCAL**
3 **9-1-1 SYSTEM?**
4

5 A. Not at this time. At such time as Sphera begins providing voice services within the State of
6 Illinois, Sphera will develop such procedures as required by the Illinois Commerce
7 Commission.

8 **Q. WILL YOUR COMPANY'S PROPOSAL REQUIRE ANY NETWORK CHANGES**
9 **TO ANY OF THE 9-1-1 SYSTEMS?**
10

11 A. Not applicable.
12

13 **Q. WILL YOUR COMPANY BE ABLE TO MEET THE REQUIREMENTS SPECIFIED**
14 **UNDER PART 725.500(O) AND 725.620(B) FOR THE INSTALLATION OF CALL**
15 **BOXES?**
16

17 A. Prior to offering voice services in Illinois, Sphera intends to request a waiver of Part
18 725.500(O) and 725.620(B) from the Illinois Commerce Commission. Sections 725.500(o)
19 and 725.620(b) require that call boxes be installed at a local exchange carrier's ("LEC")
20 switch in order to allow a Public Safety Answering Point ("PSAP") employee to field 9-1-1
21 calls from that switch in the event of a trunking problem between the central office and the
22 PSAP. Sphera will ensure that it can process all emergency calls with a high degree of
23 reliability.

24 **Q. PLEASE PROVIDE THE NAME, ADDRESS, TELEPHONE, AND FAX NUMBER**
25 **OF THE PERSON AT YOUR COMPANY THAT WILL BE RESPONSIBLE FOR**
26 **WORKING WITH THE COMMISSION'S CONSUMER SERVICES DIVISION FOR**
27 **COMPLAINT RESOLUTION?**
28

29 A. I am currently the contact person for complaint resolution. My business address is 666 Third
30 Avenue, Second Floor, New York, New York 10017. My telephone number is (646) 205-

1 4700 and my facsimile number is (646) 487-1960.

2 **Q. WILL YOUR COMPANY COMPLY WITH 83 ILLINOIS ADMINISTRATIVE**
3 **CODE PART 772, PAY-PER-CALL SERVICES, INCLUDING PART 772.55(A)(1),**
4 **BILLING AND PART 772.100(D) NOTICES?**

5
6 A. Sphera has no plans to provide local pay-per-call services at this time.

7 **Q. WILL YOUR COMPANY COMPLY WITH 83 ILLINOIS ADMINISTRATIVE**
8 **CODE PART 705, PRESERVATION OF RECORDS OF TELEPHONE UTILITIES?**
9

10 A. Yes. Sphera will comply with the regulations imposed on LECs concerning the preservation
11 of records. However, as described below, Sphera requests permission to maintain its books
12 and records at its principal place of business in New York pursuant to 83 Ill. Admin. Code
13 part 250.

14 **Q. WILL YOUR COMPANY ABIDE BY 83 ILLINOIS ADMINISTRATIVE CODE**
15 **PART 735, "PROCEDURES GOVERNING THE ESTABLISHMENT OF CREDIT,**
16 **BILLING, DEPOSITS, TERMINATION OF SERVICE AND ISSUANCE OF**
17 **TELEPHONE DIRECTORIES FOR TELEPHONE UTILITIES IN THE STATE OF**
18 **ILLINOIS"?**
19

20 A. Yes. Sphera will comply with 83 Illinois Administrative Code Part 735. However, as
21 described below, Sphera requests a waiver with regard to the issuance of telephone
22 directories.

23 **Q. WHO WILL PROVIDE CUSTOMER REPAIR SERVICE FOR YOUR COMPANY?**

24 A. Sphera customers may call Sphera's customer service number, 1-800-352-4095, 24 hours a
25 day, 7 days a week for routine and emergency repair and maintenance. Sphera handles the
26 repair or maintenance through a subcontractor. Sphera has already hired a technician in
27 Chicago in anticipation of deployment of facilities. Sphera anticipates hiring 3 or 4

1 additional technicians in Chicago. Sphera will also be supported by technicians from ONI

2 Systems, its equipment vendor.

3 **Q. WILL YOUR COMPANY MEET THE REQUIREMENTS AS THEY PERTAIN TO**
4 **THE TELEPHONE ASSISTANCE PROGRAMS IMPOSED BY SECTIONS 13.301**
5 **AND 13.301.1 OF THE ILLINOIS PUBLIC UTILITIES ACT AND 83 ILLINOIS**
6 **ADMINISTRATIVE CODE PART 757?**

7
8 **A.** Yes, Sphera will participate with Illinois telephone assistance programs upon the provision
9 of voice service.

10 **Q. DOES SPHERA INTEND TO COMPLY WITH THE COMMISSION'S RULES**
11 **CONCERNING THE PROVISION OF TELEPHONE RELAY SERVICES AND**
12 **OTHER REQUIREMENTS CONCERNING THE PROVISION OF SERVICE TO**
13 **PERSONS WITH DISABILITIES?**

14
15 **A.** Yes. Should Sphera provide voice service, Sphera will comply with applicable Commission
16 regulations concerning Telecommunications Relay Services, access for persons with
17 disabilities, and telephone assistance programs. Sphera intends to comply with those
18 requirements including the provision of TTY distribution and Telecommunications Relay
19 Service.

20 **Q. WILL YOUR COMPANY ABIDE BY THE REGULATIONS AS PRESCRIBED IN**
21 **83 ILLINOIS ADMINISTRATIVE CODE PART 755, "TELECOMMUNICATIONS**
22 **ACCESS FOR PERSONS WITH DISABILITIES", 83 ILLINOIS ADMINISTRATIVE**
23 **CODE PART 756 "TELECOMMUNICATIONS RELAY SERVICE", AND**
24 **SECTIONS 13-703 OF THE ILLINOIS PUBLIC UTILITIES ACT?**

25
26 **A.** Yes. Sphera will comply with such regulations if it provides voice service.

1 **Q. WILL SPHERA COMPLY WITH THE COMMISSION'S RULES CONCERNING**
2 **THE UNIVERSAL SERVICE OBLIGATIONS OF LOCAL EXCHANGE**
3 **CARRIERS, INCLUDING REGULATIONS CONCERNING CONTRIBUTIONS TO**
4 **THE UNIVERSAL TELEPHONE ASSISTANCE CORPORATION ("UTAC")?**

5
6 **A.** Yes. Upon provision of voice service, Sphera will comply with the requirements of Ill. Adm.
7 Code Part 757, including membership with the Universal Telephone Assistance Corporation
8 ("UTAC"), and meeting the requirements concerning the solicitation and remittance of
9 contributions, and the filing of appropriate reports with the Commission in the same manner
10 as the incumbent LECs. Sphera will comply with all rules and requirements imposed on
11 LECs, as now adopted or as may be adopted in the future, in order to bear its fair share of
12 that responsibility.

13 **Q. HAS YOUR COMPANY SIGNED AND RETURNED THE UNIVERSAL**
14 **TELEPHONE ASSISTANCE CORPORATION ("UTAC") AND THE ILLINOIS**
15 **TELECOMMUNICATIONS ACCESS CORPORATION ("ITAC") TO**
16 **COMMISSION STAFF?**

17
18 **A.** Yes.

19 **Q. WILL YOUR COMPANY SOLICIT, COLLECT, AND REMIT THE VOLUNTARY**
20 **CONTRIBUTIONS FROM ITS TELEPHONE SUBSCRIBERS TO SUPPORT THE**
21 **TELEPHONE ASSISTANCE PROGRAMS?**

22
23 **A.** If Sphera provides voice service, it will solicit, collect and remit such contributions.

24 **Q. DOES YOUR COMPANY PLAN TO OBTAIN ELIGIBLE**
25 **TELECOMMUNICATIONS CARRIER STATUS TO QUALIFY FOR THE**
26 **FEDERALLY FUNDED LIFELINE AND LINK UP PROGRAMS?**

27
28 **A.** At this time, Sphera does not intend to seek designation as an Eligible Telecommunications
29 Carrier.

30 **Q. WILL YOUR COMPANY OFFER ALL OF THE WAIVERS ASSOCIATED WITH**

1 **THE UNIVERSAL TELEPHONE SERVICE ASSISTANCE PROGRAMS (UTSAP)?**

2
3 A. If Sphera provides voice service, it will offer all waivers associated with UTSAP.

4 **Q. PLEASE DESCRIBE YOUR COMPANY'S INTERNAL PROCESS FOR**
5 **COMPLAINT RESOLUTION, THE ESCALATION PROCESS WITHIN YOUR**
6 **COMPANY, AND WHEN A CUSTOMER IS NOTIFIED THAT THEY MAY**
7 **CONTACT THE ILLINOIS COMMERCE COMMISSION FOR ASSISTANCE.**

8
9 A. Sphera will handle customer service orders, requests, inquiries, and/or complaints through
10 its toll-free customer service number, 1-800-352-4095. This toll-free number will be printed
11 on customer invoices. Sphera's customer service center is available 24 hours a day, seven
12 days a week, and is staffed by knowledgeable customer service representatives. Resolution
13 and/or escalation of customer service complaints will be handled in conformity with
14 applicable Commission regulations. Customer bills will provide the address and telephone
15 number of the Illinois Commerce Commission so that customers may contact the
16 Commission for inquiries and complaints.

17 **Q. WILL THE COMPANY FILE TARIFFS FOR ALL SERVICES AND CHARGES**
18 **ASSOCIATED WITH PROVIDING LOCAL TELEPHONE SERVICE, INCLUDING**
19 **SPECIFIC PROGRAMS, E.G., 9-1-1, UTAC, AND ITAC?**

20
21 A. Yes. Sphera will file a local exchange tariff after certification and prior to the initiation of
22 voice services within the State of Illinois. The tariff will set forth provisions for all of its
23 local service offerings, including 9-1-1, UTAC, and ITAC.

24 **Q. HOW DOES YOUR COMPANY PLAN TO SOLICIT CUSTOMERS ONCE IT**
25 **BEGINS TO PROVIDE LOCAL SERVICE?**
26

1 A. Sphera will market its services through a combination of print media and point of presence
2 advertising in markets where Applicant provides services. Sphera does not currently intend
3 to engage in telemarketing or multi-level marketing.

4 **Q. WILL YOUR COMPANY ABIDE BY FEDERAL AND STATE SLAMMING LAWS?**

5 A. Yes. Sphera will comply with Illinois law and the Federal Communications Commission's
6 regulations regarding how carriers may change a consumer's primary carrier.

7 **Q. HAS YOUR COMPANY WRITTEN GUIDELINES TO PREVENT THE**
8 **UNAUTHORIZED SLAMMING OF LOCAL EXCHANGE CUSTOMERS?**

9
10 A. Sphera has a zero-tolerance policy for slamming. Every sale must be generated through
11 customer understanding and informed consent regarding the nature of the transaction, the
12 services being requested and the associated costs involved.

13 **Q. HAS YOUR COMPANY PROVIDED SERVICE UNDER ANY OTHER NAME?**

14 A. Yes. Sphera was authorized and provided service in New York under its former name
15 Millennium Optical Networks, Inc.

16 **Q. HAVE ANY COMPLAINTS OR JUDGMENTS BEEN LEVIED AGAINST THE**
17 **COMPANY? (INSTATE, OUT-OF-STATE, OR FCC).**

18
19 A. To my knowledge, no formal complaints or court judgements have been levied against the
20 Company.

21 **VI. WAIVERS AND VARIANCES**

22 **Q. SPHERA HAS REQUESTED A WAIVER FROM CERTAIN PROVISIONS OF THE**
23 **ILL. ADM. CODE. WHAT IS THE BASIS FOR THESE REQUESTS?**
24

1 **A.** Sphera seeks a waiver of Parts 710 and 735. Sphera also seeks a variance of Part 735.180.

2 It is my understanding that the Commission in other cases has found that it is not necessary
3 to apply these regulatory provisions to competitive service providers and has exempted
4 competitive carriers from the application of these provisions. Such waivers reduce the
5 economic burdens of regulation and are not inconsistent with the law or the purposes and
6 policies of Article XIII of the Act. Sphera respectfully submits that these waivers will
7 benefit Illinois consumers by facilitating the Company's entry into the telecommunications
8 market without compromising the public interest.

9 **Q.** **PLEASE EXPLAIN SPHERA'S REQUEST FOR A WAIVER FROM PART 710.**

10 **A.** Part 710 requires compliance with the Uniform System of Accounts ("USOA"). While this
11 provision is appropriately applied to incumbent LECs that have market power, it imposes
12 unnecessary and burdensome requirements on new entrants that are inconsistent with a
13 competitive environment. Sphera's size and lack of market power are special circumstances
14 that warrant a waiver of the USOA requirement. Sphera keeps its books in accordance with
15 Generally Accepted Accounting Principles ("GAAP"), which will result in a substantially
16 equivalent portrayal of its operating results and financial condition and will maintain
17 uniformity in the substantive results as among telecommunications companies. Finally, it
18 is my understanding that the Commission has waived Part 710 for other competitive
19 carriers, including MFS Intelenet of Illinois, Inc. (Docket No. 93-0409) and MCI Metro
20 Access Transmission Services, Inc. (Docket No. 94-0400). Sphera seeks the same treatment.

1 Q. PLEASE DESCRIBE SPHERA'S REQUEST FOR A WAIVER OF THE
2 REQUIREMENT TO MAINTAIN BOOKS AND RECORDS IN THE STATE OF
3 ILLINOIS PURSUANT TO 83 ILL. ADM. CODE 250.20.
4

5 A. Sphera requests a waiver pursuant to 83 Ill. Adm. Code 250.20 so that it may maintain its
6 books and records at its principle place of business in New York, New York.

7 Q. PLEASE EXPLAIN SPHERA'S REQUEST FOR A VARIANCE FROM 83 ILL. ADM.
8 CODE PART 735.180.
9

10 A. Sphera seeks a variance of Part 735.180, which require requires LECs to publish and
11 distribute directories to their customers. Sphera plans to negotiate an agreement with other
12 local exchange providers, pursuant to which those carriers will include Sphera's customer
13 listings in its directories and distribute them to Sphera's end user customers.

14 VII. CONCLUSION

15 Q. THE COMMISSION'S CONSUMER SERVICES DIVISION REQUESTS THAT
16 CARRIERS THAT ARE CERTIFIED TO PROVIDE LOCAL EXCHANGE
17 SERVICE NOTIFY THE DIVISION AT LEAST ONE MONTH PRIOR TO THE
18 ACTIVATION OF LOCAL EXCHANGE SERVICE. WILL SPHERA SO NOTIFY
19 THE DIVISION ON A TIMELY BASIS PRIOR TO THE ACTIVATION OF LOCAL
20 SERVICE?
21

22 A. Yes, it will.

1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

2 **A. Yes, it does. I reserve the right, however, to amend or modify my testimony, as appropriate.**

3 **END OF TESTIMONY**